(2) ELECTION OF ONE MEMBER TO THE BOARD OF INDUSTRIES.

THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

" That in accordance with section 3 (1) (*b*) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) as recently amended, and rule XXII (3) of the rules framed under the Act, this Council do proceed on a date to be fixed by the Chairman to elect one person to be the Council's representative on the Board of Industries constituted under the Act."

MR. CHAIRMAN : The question is—

" That in accordance with section 3 (1) (*b*) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) as recently amended, and rule XXII (3) of the rules framed under the Act, this Council do proceed on a date to be fixed by the Chairman to elect one person to be the Council's representative on the Board of Industries constituted under the Act."

The motion was put and carried.

MR. CHAIRMAN : In accordance with the regulations framed by me for the holding of elections according to the principle of proportional representation by means of the single transferable vote, I fix the following programme for the election of one member to the Board of Industries :—

Date and time for the receipt of nominations—4 p.m. on Monday, the 24th December 1956.

Scrutiny of nominations—5 p.m. on Monday, the 24th December 1956.

Withdrawal of nominations—3 p.m. on Wednesday, the 26th December 1956.

Poll, in case of contest—Between 11 a.m. and 1 p.m. on Thursday, the 27th December 1956.

Nomination forms can be had on application to the Secretary to the Council.

(3) AMENDMENTS TO THE RULES UNDER SECTION 40 (1) OF THE MADRAS ESTATES (ABOLITION AND CONVERSION INTO RYOTWARI) ACT, 1948 (MADRAS ACT XXVI OF 1948).

* THE HON. SRI M. A. MANICKAVELU : Sir, I move—

" That the following draft amendment to the rules published with Revenue Department notification, dated the 21st December 1949, at pages 397–398 of the Rules Supplement to Part I of the *Fort St. George Gazette*, dated the 27th December 1949, which it is proposed to make in exercise of the powers conferred by section 40 (1) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948), be approved;

22nd December 1956] [Sri M. A. Manickavelu]

DRAFT AMENDMENT.

In ruel 3 of the said rules, the following proviso shall be added at the end, namely :—

'Provided that where the amount of the total compensation stands altered as a result of any order under section 39 of the Act or otherwise, after the payment or payments referred to have been made, the amount or the amounts of any deficiency in the payment or payments already made may be paid at any time and as soon as may be after the said alteration, and the amount or amounts of any excess in the payment or payments already made by way of deposit under rule 5 may be withdrawn at any time and as soon as may be after the said alteration.' "

The object of this amendment is this. Now under rule 3 of the rules issued under section 40 of the Abolition Act, the compensation in respect of an estate where it is payable in one lump sum and the first instalment of the compensation where it is payable in instalments shall be paid not later than nine months from the date on which the settlement operations in respect of that estate are completed, or where the date is earlier within the date of expiry of three fasli years under section 30 or 34 of the Act and not later than nine months from the latter date. There is no provision in the rules by which after the expiry of this period any alteration in the compensation amount already deposited, by way of additional deposits can be made. But circumstances may arise necessitating alteration of the compensation amount subsequent to the decision of the Tribunal. Therefore, the Director of Settlements has stated that a proviso be added under rule 3 so as to enable him to make additional deposits or withdraw excess amounts already deposited as a result of alterations in the compensation amount which may take place subsequent to this deposit. Now, as it is, once the deposit has been made under the section I referred to, it is visualised that the quantum of compensation is paid. We have no power either to pay more to make up the deficiency nor can we withdraw any amount which we have paid in excess. So, this rule provides for this contingency also. That is the reason why this amendment has been moved.

MR. CHAIRMAN : The question is—

" That the following draft amendment to the rules published with Revenue Department notification, dated the 21st December 1949, at pages 397–398 of the Rules Supplement to Part I of the *Fort St. George Gazette*, dated the 27th December 1949, which it is proposed to make in exercise of the powers conferred by

section 40 (1) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948) be approved :—

DRAFT AMENDMENT.

In rule 3 of the said rules, the following proviso shall be added at the end, namely :—

'Provided that where the amount of the total compensation stands altered as a result of any order under section 39 of the Act or otherwise, after the payment or payments referred to have been made, the amount or the amounts of any deficiency in the payment or payments already made may be paid at any time and as soon as may be after the said alteration, and the amount or amounts of any excess in the payment or payments already made by way of deposit under rule 5 may be withdrawn at any time and as soon as may be after the said alteration.' "

The motion was put and carried.

V.—GOVERNMENT BILLS.

(1) THE MADRAS CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 1956 (L.A. BILL NO. 34 OF 1956).

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

"That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration."

The All-India Rural Credit Survey Committee appointed by the Reserve Bank of India undertook a survey of rural credit which brought to light the inadequacy of co-operative credit. The Committee observed that a dynamic programme for increasing agricultural production which the country had undertaken called for an equally dynamic programme of agricultural credit and recommended the supply of institutional credit on a co-operative basis to a larger section of the agricultural population, laying emphasis on the supply of productive finance and provision of complementary arrangements for marketing and processing to enable the ryots to reap the benefits of increased agricultural production. The Committee recommended a scheme of integrated rural credit and marketing based on the three principles of State partnership at different levels, full co-ordination between credit and other economic activities especially marketing and processing, and administration through adequately trained and efficient personnel responsive to the needs of the rural population. This scheme contemplated the formation of large-sized primary societies, based on limited liability or liability limited by guarantee and employing paid staff, as against the existing village credit societies and State participation in the co-operative institutions. The Committee also recommended the advance of cultivation

* Printed as Appendix II on pages 275–278 infra.